Forecast 2026

2026 Global Business Travel Forecast

GBTA CWT

Planning for stability amid economic uncertainty

The pricing of global business travel is entering a new phase. In the short-term, economic uncertainty, policy shifts, and trade volatility are weighing on pricing. Over the longer term, we expect continued, though more moderate, price increases in 2026.

The fundamentals that are supporting higher prices remain in place: constrained air capacity growth, steady but limited hotel supply pipelines, and persistently high supplier costs. While the post-pandemic rebound in leisure travel demand appears to have leveled off, it is not showing any significant signs of waning. Meanwhile, business travel demand also remains resilient.

Lower fuel prices, interest rates cuts from the U.S. Federal Reserve and the European Central Bank (ECB), and favorable exchange rates could help temper price increases. However, this is countered by persistent or volatile inflation in several key markets.

While there are short-term pressures, our baseline forecast points to a period of relative pricing stability — a shift from the more volatile post-pandemic years to a more predictable rate of growth. But risks remain. The threat of a recession or stagflation (a troubling mix of sluggish growth and persistent inflation) could significantly reshape the pricing environment.

Global trade jitters and the specter of a recession in major markets, in the wake of U.S. tariff uncertainties, mean confidence among travel buyers has taken a hit. The sector is now proceeding with caution. This is reflected in low single digit, or below single digit, price rises for this year's forecast.

Yes, the industry continues to wait for a 'new normal', but it is likely to emerge in fits and starts. Airlines, hotels and ground transport providers will respond with agility and speed to any future weakening in demand. Expect capacity discipline from suppliers who will take measures to protect their margins, maintain yields and uphold pricing, since these have been hard-fought gains post-pandemic.

For the first time in a number of years, the balance in pricing power is shifting, albeit very slightly, away from suppliers. Yet buyers will have to be savvy to work out where they will have an advantage. Using data to break down travel spend by sector, route and destination will be crucial. This forecast provides actionable insights to help navigate these issues in detail.

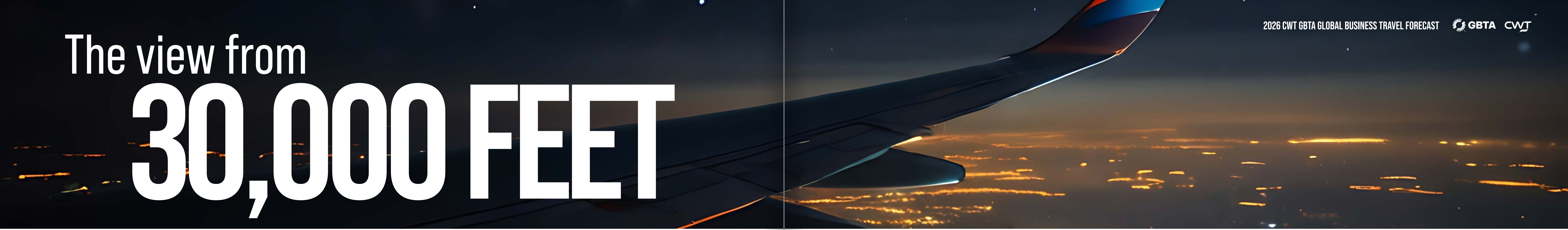
Now in its eleventh consecutive year, the CWT GBTA Global Business Travel Forecast aims to help businesses gauge the market with average pricing for hotel rooms, airfares and car rental, as well as meetings and events. The forecast also explores where prices are heading in 2026, as well as the drivers of change. *All prices quoted are in U.S. dollars.*

"Short term uncertainty, long-term, marginal, yet stable, growth."

Nicholas Vournakis,
Chief Customer Officer, CWT

"For the first time in several years, the balance in pricing power is shifting."

Suzanne Neufang,
CEO, GBTA



The view from 30,000 FEET

New and evolving trends

Price growth stabilization

For many buyers, the escalating cost of travel has been a significant issue in recent times. So stabilized, low-level price growth in line with, or below inflation, will be welcome news going into 2026. It is unlikely that travel budgets will be able to accommodate significant pricing pressure in this phase of the global economic cycle. Prices already sit way above pre-Covid, 2019 levels. This high base means even small price gains feel significant when aggregated across whole travel programs.

Complex pricing dynamics

Fragmented travel content, the growth of NDC, dynamic and personalized pricing, unbundling of airfares and attribute-based pricing for hotels has led to a proliferation in pricing points. Suppliers have invested significantly in revenue management technologies, including AI, making pricing more sophisticated. For buyers, this means imperfect access to data and difficulty in making like-for-like cost comparisons. AI could eventually solve this by providing real-time analysis of options, giving buyers immediate insights into the best prices. However, confidence in AI-driven recommendations remains a challenge at this juncture.

Capacity discipline

For airlines around the globe, capacity growth is sufficiently moderated by plane delivery delays. Boeing has been challenged by supply chain, certification and manufacturing issues while Airbus is cautioning airlines that delivery delays will continue for another three years as it addresses a backlog of supply-chain issues. For hotels, new physical infrastructure is a long-term, multi-year game. It means supply can not keep up with demand in the short term. Continued labor shortages do not help with capacity either. These constraints keep load factor high and price growth firm.

High fixed costs abound

Suppliers continue to incur costs that are increasing beyond top-line growth. In order to maintain margins now and in the future, prices will therefore rise modestly. Fixed costs remain high for all sectors whether it is labor, utilities or insurance. At the same time, wage and food inflation are eroding margins. The only dampener on stronger price growth is softening oil prices, but this is a recent development.

Value beyond price

Value beyond price is now increasingly important, since traveler wellbeing, productivity and sustainability have come to the fore. It means that the quality of a product, scheduling, performance, lounge access or other ancillary benefits are considered more valuable than in the past. These have become important decision drivers and can trump marginal price differences. Such concerns can push up the cost of business travel and the eventual prices paid.

Travel ROI under scrutiny

There is a growing emphasis on cost controls. With ongoing elevated pricing for trips, the return on investment or ROI of travel will be increasingly under the spotlight in 2026. Purposeful travel has now become embedded in travel program design and it means that buyers are now drilling down further on the numbers. They are aligning travel budgets with corporate objectives. Businesses are therefore increasingly measuring the financial, people and environmental impact of travel and what constitutes value for money, as well as the price of success.

Drivers of change in 2026

Continued economic uncertainty

Travel spending closely tracks broader economic activity and trade tension between the U.S., EU and China is creating uncertainty. Looking forward, a weaker macroeconomic foundation is expected to trim global GDP growth slightly. Weakening earnings momentum might also encourage companies to cap travel budgets. The GBTA has recorded a "significant decline" in confidence among buyers. Wait-and-see policies also lead to indecision and delays in ticket purchasing. Businesses crave certainty; so do travel programs. This could color long-term pricing patterns in 2026.

Geopolitical tensions

Whether it is the war in Ukraine, turmoil in the Middle East, U.S.-China diplomacy or North American border and travel visa concerns, geopolitical tensions also impact demand, supply, sentiment and pricing. Flight times for Asia routes are still longer with Russian airspace closed to some carriers and tickets more costly. Volatility and short-term turbulence also affect corporate earnings and stock market evaluations, and leads to currency fluctuations.

Softening leisure demand

If global leisure demand dampens in the months ahead, it could slow down pricing growth. Consumer confidence also varies for differing wealth categories. Economy and midscale travelers are likely to be more affected if global economic growth wanes, since they have less discretionary spend for travel, while those in luxury and midscale are less affected. This could disproportionately affect certain classes of business travel and prices paid, heading in to 2026.

Sticky inflationary pressures

In some regions, sticky inflation is keeping travel costs slightly more elevated. The U.S. is a prime example, with the impact of tariffs working through supply chains. Inflation impacts everything from catering to utilities and maintenance. Even with lower demand, high inflation can lead to price increases in business travel. Such pressures may be alleviated by dampened oil prices, which leads to lower jet fuel prices and direct costs. This allows suppliers more leeway over pricing. If this plays out in the long run, it could keep a lid on pricing growth.

Divergent regions and sectors

There are some mismatches regionally between supply recovery, demand surges and competition, which affects pricing. The Asia Pacific (APAC) region and North America (NORAM) are good examples of this. At the same time, pricing for front-of-plane seats and upmarket hotel rooms remains resilient as opposed to economy offerings. There are also differences in business travel demand by sector, with some industries like big tech and big banks outperforming others. You cannot have a single, one-size-fits-all approach to a travel program in 2026 for pricing.

Forecast pricing for 2026

BCF – Base Case Forecast

These are figures based on long-term projections that take into account econometric and statistical models. They assume a business-as-usual approach for pricing changes in a weaker but stable global economy.

GRF – Global Recessionary Forecast

These are figures based on a long-term projection taking into account a full-blown global recession impacting pricing changes. The risk of recession in major markets is now evident.

AIR

BCF

Average ticket price	2026	2025	2024
	$708	$705	$721
	0.4 ▲	2.2% ▼	4.8% ▲

IATA expects global passenger traffic growth to slow to a more sustainable 5.8% in 2025 after the double-digit rebound of 2024. Airfares also experienced a significant price increase in 2024, with the average ticket price (ATP) rising by 4.8%. This has softened in 2025, with a 2.2% decrease supported by increased capacity and easing input costs.

Prices are forecast to grow again in 2026 by 0.4% globally. There is still very little extra fleet capacity in the market as demand is robust and supply is controlled. This could uphold marginalized pricing growth. Load factors, though softening, have also reached record levels, which will stop prices from dropping.

GRF

Average ticket price	2026	2025	2024
	$673	$680	$721
	1.0 ▼	5.7% ▼	4.8% ▲

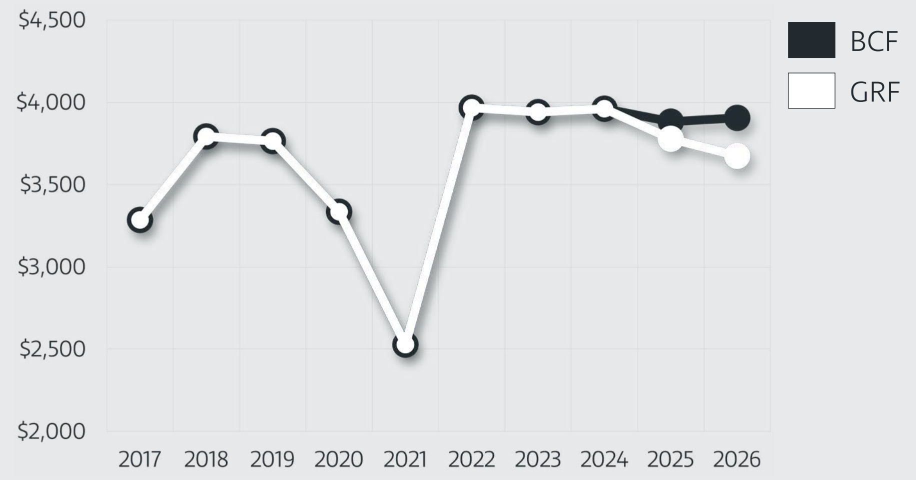
Modest pricing shifts as capacity grows

AIR

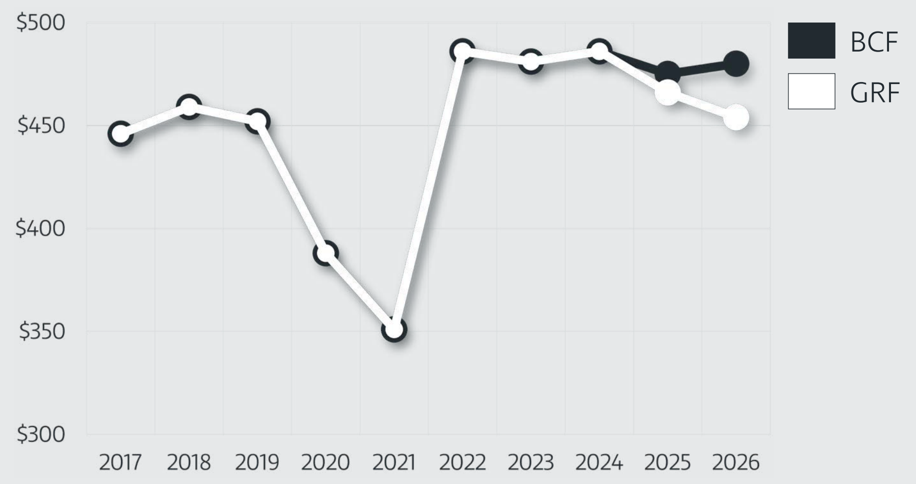
Global outlook

Global airfare pricing in 2025 and 2026 will be shaped by a tug-of-war between constrained seat supply, still-solid passenger demand, and a cost base that is easing but remains volatile. Delays in aircraft deliveries from Airbus and Boeing as well as parts and maintenance issues, continue to dampen wholesale capacity expansion. This not only impacts airline growth but also keeps prices elevated. At the same time, global air traffic is now 4% above pre-pandemic levels. The order backlog for aircraft is unprecedented and is now equivalent to 50% of the current fleet (17,000 aircraft at the end of 2024). At current production rates, this backlog represents almost 14 years' worth of orders. This prolonged backlog will contribute to future capacity constraints, operational inefficiencies and higher costs — driven in part by the extended in-service life of older, less fuel-efficient aircraft, the complexity of managing mixed fleets and ongoing parts shortages that are straining MRO (maintenance, repair, and overhaul) supply chains.

Global air price projections in premium class



Global air price projections in economy class



Air travel trends

Expect a more active pricing strategy

Airlines are unsure how business travelers will behave in the face of global economic uncertainty. The fact that some North American carriers have withdrawn their full year profit forecasts for 2025 is indicative of the volatility with which we are dealing.

Carriers are increasingly focused on optimizing their revenue through yield management rather than discounts. They will also manage capacity and costs even more carefully going into 2026. This will keep any serious pricing downturn in check.

If carriers have to contend with pressure on operating margins next year, it might encourage them to court business travel accounts more actively. This puts buyers in a stronger position to renegotiate deals. However, corporations can expect tough negotiating stances from airlines.

One significant factor is jet fuel prices. Fuel can make up to a third of an airline's overall operating costs. The fall in oil prices offers more of a cushion to airlines going into 2026; this may dampen any future price growth. However, this will depend on whether an airline has engaged in fuel hedging or not.

These events come at a time when carriers are evolving their distribution models further towards NDC. Any concessions on this front, by offering volumes and loyalty, could provide buyers with more pricing power.

A good number of airlines have also been successfully developing their premium-class product with a strong focus on the leisure market. This has proven resilient so far in terms of pricing. A softening of consumer travel sentiment in 2026 could offer more opportunities for businesses in this cabin space, at keener prices.

Some airlines may have to scale back capacity in order to maintain pricing power. Those that do not, will either have lower cost bases and can maintain pricing or will potentially look to reduce prices. Buyers will need to be more strategic to capitalize on these opportunities.

AIR

Regional snapshot

Asia Pacific

The ATP in APAC increased 2.9% to $502 in 2024. However, we forecast a 1.8% decline to $493 in 2025, driven by intense competition in key markets and a wave of capacity expansion from aircraft orders placed in previous years. Lower fuel prices are also expected to help keep fares compressed. In 2026, we anticipate a modest 0.8% increase to $497.

The post-pandemic recovery in business travel across APAC continues to lag behind other regions. China's international travel remains subdued, further dampened by renewed tariff tensions with the U.S. In contrast, India has surged ahead, buoyed by strong domestic growth and outbound demand. Despite these disparities, Asia Pacific remains a critical growth engine for the global travel industry.

Europe, Middle East & Africa

ATPs in EMEA rose 4.8% in 2024 to $823, largely attributed to a shift from economy to premium cabin bookings and more long-haul travel. However, pricing momentum is expected to slow in the years ahead, with a modest 0.6% increase to $828 projected in 2025, followed by a 2.1% rise to $845 in 2026.

Macroeconomic uncertainties are weighing heavily on European airlines going forwards, as are environmental regulations. In contrast, the Middle East and North Africa are experiencing stronger demand for long-haul premium travel. Major Middle Eastern airlines, some of which own their aircraft outright, are more insulated from global economic shocks. Still, ongoing geopolitical tensions could disrupt operations and cause fare volatility.

Latin America

In LATAM, the ATP rose 1.7% in 2024 to $667. A slight decline of 0.4% to $664 is forecast in 2025, followed by a 1.7% increase to $675 in 2026. Demand is robust across the region, buoyed by economic growth and rising intra-regional business travel.

However, persistent inflation, exchange rate volatility, and dependence on imported jet fuel — often priced in U.S. dollars — are complicating fare dynamics. While fuel prices have declined globally, the benefits are often offset by local currency depreciation. Capacity growth has not kept pace with demand, and several markets remain underserved, supporting the potential for upward pricing pressure in the medium term.

North America

NORAM recorded the highest ATP globally in 2024, with fares jumping 6.9% to $831. Similar to EMEA, this was largely driven by strong demand and a notable shift toward premium cabin bookings with an increase in long-haul travel.

Looking ahead, pricing is expected to soften as economic uncertainty and a weakening U.S. dollar weigh on both demand and pricing. A 2.9% decline in ATP is forecast for 2025 to $807, before a modest 1.7% rebound to $821 in 2026. The transatlantic corridor remains a key driver of profitability for many carriers and will be a critical market to watch over the forecast period.

HOTEL

BCF

Average daily rate	2026	2025	2024
	$166	$163	$161
	1.8 ▲	1.2% ▲	1.9% ▲

The global average daily room rate (ADR) rose by 1.9% in 2024 to $161. Moderate growth is expected to continue, with a 1.2% increase forecast for 2025. While global hotel pricing has stabilized, it remains firm in several markets, indicating no broad-based weakening. However, visibility into 2026 remains limited due to short booking windows and economic uncertainties.

Occupancy rates remain high globally, while new hotel supply growth continues to lag. Elevated construction costs and cautious lending — combined with only gradual reductions in interest rates — are limiting debt-financed hotel development. As a result, supply growth is likely to stay below historical averages, supporting higher room rates even as demand normalizes. Major international hotel operators have built diverse property portfolios across regions, helping them preserve pricing power and maintain RevPAR (revenue per available room).

GRF

Average daily rate	2026	2025	2024
	$153	$155	$161
	1.3 ▼	3.7% ▼	1.9% ▲

Limited rooms, elevated rates

HOTEL

Global outlook

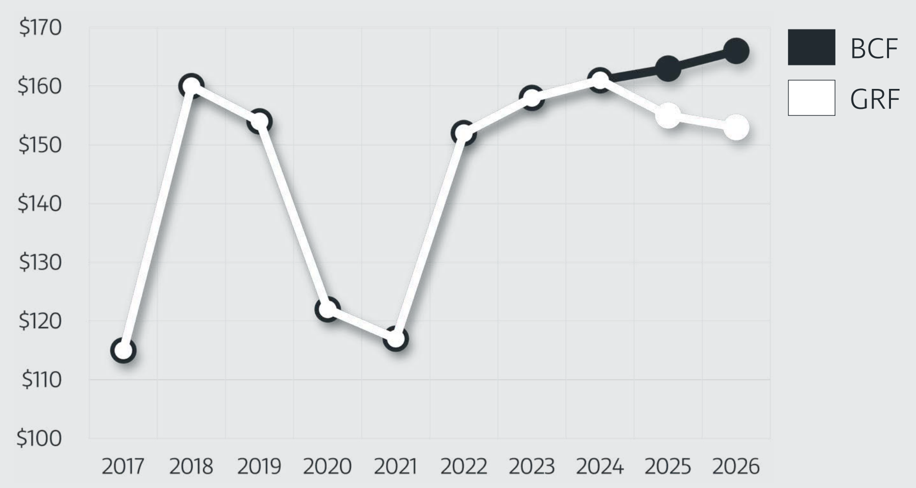
After three extraordinary post-pandemic years, hotel pricing is settling into a more traditional economic cycle. Wage growth, energy costs and insurance premiums remain stubbornly high, keeping the cost base elevated.

Hotel prices in key business travel cities around the globe are likely to go up at an even more moderated rate than in the previous years, post-Covid. Uncertainty plagues predictions going forward in the hotel market.

There is a differentiation in markets — APAC and LATAM are strong, while EMEA and NORAM are steady. While airlines show general load factors of 80% to 90%, hotels show occupancy rates of 60% to 70%. This shows that supply is less of an issue for hotels than airlines. Operating costs for hotels are still high, helping maintain an upward pressure on prices.

For some markets there is a saturation of supply and there will be more flexibility on pricing points going forward. Those markets that are likely to soften significantly when it comes to leisure travel in 2026 will show a greater dampening in price growth.

Global hotel price projections



Hotel trends

Capitalize on softening pricing growth

Hotels chains increasingly have advanced yield management and dynamic room rates. Meanwhile, major players including IHG, Marriott, and Hilton are testing attribute-based selling, instead of choosing from predefined room types and rate plans, guests can select from a range of attributes such as bed type, view, amenities, services, and policies booking. This is creating a proliferation of price points in the name of personalization, and buyers will need extensive data in order to compare like-for-like pricing in the market.

Buyers need to segment their pricing strategy more in 2026 and adopt an agile mindset. Prices will vary considerably by destination going forward, depending on softening leisure and fluctuating business demand in some markets. Unlike airlines that can alter schedules and reduce capacity according to demand, hotels have fixed infrastructure that needs to be used in situ.

A softening in price growth or demand therefore requires a new approach. Consider negotiated rates: these are good when rates are rising because they help control costs. With any downward trend, it is worth taking a more wait-and-see approach to rates, especially if hotel chains are giving out lower publicly available offers. Paying for last room availability may also not be needed if demand is on the turn.

Breaking travel volumes down by destination and matching volumes with what is going on in the industry is crucial. Managing uncertainty is vital. Concentrate rate negotiation efforts towards secondary cities where any downward pricing pressure will create favorable conditions for securing advantageous terms.

HOTEL

Regional snapshot

Asia Pacific

The ADR in APAC rose 4.5% in 2024 to $138, reflecting the region's continued recovery and strong performance in key markets. India's hotel sector remains particularly strong, fueled by a booming domestic travel market and robust economic growth. Japan is seeing sustained ADR growth, driven by a resurgence in inbound tourism thanks to a weaker Yen and limited new hotel supply. China is expected to improve in the second half of 2025, supported by domestic demand, a gradual rebound in inbound tourism — particularly from neighboring Asian countries, and major events and conferences.

However, hotel development remains constrained across the region. High construction costs and cautious lending are capping annual supply growth at around 1.5%. Labor shortages are also driving operating costs higher. As a result, ADR growth is expected to moderate: a 3.6% increase to $143 is projected for 2025, followed by a 2.8% rise to $147 in 2026.

Europe, Middle East & Africa

In EMEA, the ADR rose by 1.3% in 2024 to $157. Stable, incremental growth is expected in the next two years, with increases of 1.9% forecast for both 2025 and 2026. While this marks some of the lowest price increases globally, it reflects a stable growth trajectory.

In Europe, leisure travel continues to support demand and uphold rates, even as economic headwinds emerge. In the Gulf states, robust leisure and corporate demand is being balanced by a wave of new hotel supply — particularly in connection with Saudi Arabia's Vision 2030 projects — resulting in restrained ADR growth in the low single digits.

Latin America

LATAM remains a global outlier in hotel price growth. The ADR increased by 7.5% in 2024 to $100, with a further 7.0% gain expected in 2025. High domestic and intraregional demand, coupled with elevated inflation in several markets, is supporting continued pricing power.

Interest rates are persistently high and new supply remains constrained. This is expected to enable operators to achieve real ADR gains in 2026, with a projected increase of 5.6%. Overall, LATAM continues to be one of the world's most dynamic hotel markets, both in terms of demand and rate growth.

North America

The ADR in NORAM rose 3.3% in 2024 to $188, buoyed by strong corporate and group travel. However, pricing growth is expected to gradually ease: a 2.1% increase to $192 is forecast for 2025, followed by a further 1.6% rise in 2026.

A decline in leisure demand — particularly from lower-income travelers — may begin to weigh on overall rate growth. Broader economic uncertainty and a maturing recovery cycle are also expected to temper pricing momentum in the region.

GROUND

BCF

Average daily rate	2026	2025	2024
	$48.0	$46.7	$45.4
	2.8 ▲	2.9% ▲	6.1% ▲

After three years of pandemic-driven volatility, global car rental prices have stabilized into a higher but more predictable range. Average daily rental rates (ADRs) climbed 6.1% in 2024 to $45.40 and are expected to rise a further 2.9% in 2025, reaching $46.70. A similar increase is projected in 2026, bringing rates to $48.00.

Vehicle supply is now better aligned with demand. Robust competition across markets is helping to keep pricing in check, with increases largely in line with inflation — a welcome trend for corporate travel buyers. Fleet availability has significantly improved since the pandemic, easing prior supply constraints and helping rebalance the market.

Lower vehicle depreciation costs, particularly as rental companies rotate out of high-cost pandemic-era vehicles, are contributing to more manageable operating expenses. Meanwhile, the slow, cautious adoption of electric vehicles continues. Major rental firms are expected to keep fleet sizes relatively tight as a strategy to maintain pricing discipline and navigate ongoing economic uncertainty.

GRF

Average daily rate	2026	2025	2024
	$44.0	$44.8	$45.4
	1.8 ▼	1.3% ▼	6.1% ▲

Fleet growth eases rate pressure

GROUND

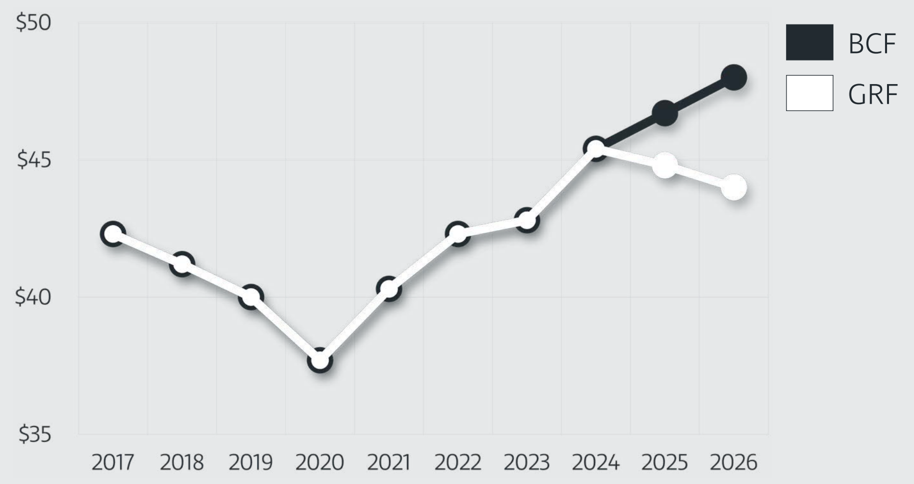
Outlook

Looking forwards into 2026, any economic uncertainty at a national, regional or international level is likely to lead to increased vehicle costs and disrupted fleet strategies. Vehicle use still remains historically low for some rental companies. It means that disciplined fleet management, revenue optimization, and rigorous cost control will be crucial for suppliers in the year ahead.

The period of normalcy for the car rental market could be thrown into disarray depending on how the U.S. tariff strategy plays out. Fleet procurement policies and total cost of ownership calculations will need to be adjusted. Tariff issues could also destabilize the residual values of vehicles in both North America and Europe, depending on how manufacturers react. Tariffs would raise acquisition costs, establish a firm pricing floor in the years ahead and affect plans for electric vehicle adoption.

Certainly, expect tariff issues to raise the cost of car rentals particularly in North America due to higher acquisition costs for vehicles and disrupted supply chains.

Global ground price projections



Ground trends

Shifting expectations and smarter solutions

While the rental car market has entered a period of greater price stability, the landscape continues to evolve — shaped by shifting traveler expectations, digital innovation, and rising sustainability demands.

A more flexible, connected approach: The traditional point-to-point rental model is being challenged by a growing appetite for flexibility and multimodality. Business travelers are combining rentals with ride-hailing, public transport, and micromobility. In response, corporations and TMCs are exploring Mobility-as-a-Service (MaaS) solutions that prioritize flexibility, cost-efficiency, and sustainability.

Digital-first experiences become the norm: Today's business travelers expect speed, convenience, and control. Rental companies are responding with app-based booking, digital keys, and contactless pickup and return. A seamless digital experience has become a differentiator, with leading rental brands competing on user experience as much as price or availability.

Sustainability moves up the agenda: While full electric vehicle (EV) adoption remains slow and uneven, sustainability commitments are pushing organizations to cut emissions across the travel journey. More rental providers are offering low-emission or hybrid options and enhancing carbon tracking for corporate reporting. Buyers are also asking suppliers to show how they support sustainability, even in markets with limited EV infrastructure. In the U.S., however, new legislation eliminating key EV tax credits may raise vehicle acquisition costs and delay fleet electrification, making hybrids a more viable "green" option for now.

A new generation of expectations: Younger business travelers value personalization, ease, and sustainability. This is prompting a shift in services and vehicle types — from premium options to short-term rentals or subscription models. Suppliers that adapt to these evolving preferences will be better positioned to win and retain corporate contracts.

GROUND

Regional snapshot

Asia Pacific

The APAC region saw notable rate increases in 2024, with the ADR for car rentals rising 6.3% to $54.30. However, growth is set to normalize. A modest 1.1% increase is forecast for 2025, bringing the average to $54.90, followed by a 1.8% rise in 2026, taking it to $55.90.

Several trends may be supporting price growth in the region. The rising popularity of self-drive options among expanding middle-class populations, increasing demand for more premium vehicle types, and the use of digital booking platforms that more easily allow for upselling of ancillaries could all be contributing factors. Additionally, travelers may also be paying a “green premium” for choosing electric vehicles (EVs) — though in markets like Singapore and China with strong EV policy incentives and infrastructure, the price gap between EVs and traditional models is narrowing.

At the same time, the competitive landscape across APAC, including strong public transportation networks and the continued rise of ride-hailing services, is helping to keep price growth in check across many markets.

Europe, Middle East & Africa

ADRs for rental cars in EMEA rose sharply by 6.7% in 2024 to $52.50, supported primarily by resilient leisure travel demand. High interest rates and elevated vehicle costs have made fleet expansion more expensive, limiting flexibility to offer discounts.

Looking ahead, pricing growth is expected to moderate, rising 1.3% in 2025 and 1.5% in 2026. As EV adoption ramps up in response to environmental regulations, operators may face higher acquisition and infrastructure costs. At the same time, softer demand, strong competition, and lower vehicle use will exert downward pressure on rates, keeping increases modest overall.

Latin America

LATAM remains the most volatile car rental pricing environment globally. The ADR rose by 3.1% in 2024 to $36.40, but price growth is forecast to slow to 1.4% in 2025 and 1.1% in 2026.

The region’s exposure to foreign exchange volatility and reliance on imported vehicles and fuel make it particularly sensitive to global market shifts. Persistent inflation in several countries adds further complexity to pricing, potentially counteracting any benefit from local currency appreciation or easing supply conditions.

North America

NORAM posted strong price growth in 2024, with ADRs rising 7.2% to $41.60. However, price growth is expected to slow significantly, with a 3.4% increase forecast for 2025.

Major rental companies such as Hertz, Avis and Enterprise have expanded their fleets, which could place downward pressure on prices due to oversupply. That said, potential new tariffs on vehicles and imported components could drive up vehicle acquisition costs, partially offsetting price softness. In 2026, ADR is expected to rise by a more modest 2.6%, reaching $44.10.

MEETINGS & EVENTS

BCF

Cost per attendee per day	2026	2025	2024
	$172	$168	$162
	2.4% ▲	3.7% ▲	4.5% ▲

The average cost per attendee for meetings and events rose 4.5% last year, driven by a combination of inflationary pressures, rising labor and production costs, and a strategic shift toward more curated, experience-led gatherings. Many organizations are prioritizing smaller, high-impact events, which raises per-capita costs as fixed expenses are spread over fewer attendees. Elevated expectations around venue quality, sustainability, wellness, and hybrid capabilities are also contributing to higher budgets. In addition, ongoing supply constraints in desirable event spaces and increases in travel and accommodation costs are putting further upward pressure on spend.

Yet, there is likely to be a softening in pricing growth going forward as global economic uncertainty and budget constraints weigh in on this sector. Price growth of 3.7% in 2025 and 2.4% in 2026 reflects a rate that is broadly in line with the annual headline rate of inflation across G20 economies.

Price increases for group hotel bookings will also be tempered by the trend of more meetings and events being hosted in secondary cities, where rates are cheaper. However, this will be offset by higher prices of inputs such as food and beverage, labor, AV systems and ancillary services. With continued price increases into 2026, budgets are expected to remain stretched. Buyers must adopt new tactics in order to reconcile the two.

GRF

Cost per attendee per day	2026	2025	2024
	$156	$158	$162
	1.3 ▼	2.5% ▼	4.5% ▲

Curated experiences drive pricing

What is evolving in M&E?

There are a number of trends evolving this year and into 2026:

Differentiated events

Travel programs and budgets are increasingly aligned with strategic business goals, where the ROI of any event is firmly in the crosshairs. It is why customer facing meetings are a higher priority, since they directly affect the bottom line, with less priority for internal M&E.

Longer lead in times for meetings

Businesses have learnt to plan well in advance in order to achieve the best prices and cost savings. Economic uncertainty going forward will make long-term planning more difficult. Shorter lead times are likely to be more prevalent for internal meetings.

Fixed budgets in vogue

Meetings are increasingly managed to fit budgets, rather than the other way round. When pricing is inelastic, this drives corporations to change the frequency of their events, reduce attendee numbers or look at different F&B options in order to achieve a ceiling budget.

Rising prices for ancillary services

There has been a significant investment in ancillary services over the last few years. Now suppliers want a return on their investment. Whether this involves upgraded AV systems and facilities or those focused on sustainability or wellness, the buyer pays.

Evolving M&E formats

Whether it is hybrid as standard, less content delivery and more networking, a greater number of energizing experiences, or a focus on relationship building, events are capitalizing on human contact and ROI, which has cost implications.

Increase in supply

The continual steady influx and pipeline of new properties delivered across the globe provides event planners with more choice, especially in secondary cities. This tempers further price growth across the board, it also creates more competition and opportunities.

New tactics matter in 2026

Think strategically

In a potentially softening price-growth environment, buyers have an opportunity to be more aggressive with negotiation tactics — particularly when event-hosting certainty is paired with flexibility in timing and destination. There are negotiations to be had on room rates, catering, meetings spaces, AV and other ancillary spend.

Consolidate meetings spend

Take a more strategic approach to your hotel and venue sourcing by consolidating meetings spend across markets and business units. Bundling spend and committing volume to a smaller number of suppliers can significantly improve negotiating power — unlocking better rates and more value-added services. A consolidated supplier base also enables stronger, longer-term partnerships and provides suppliers with more predictable business, which they are likely to reward.

Shift events to off-peak

Increasingly businesses are moving meeting and events to off-peak and shoulder seasons when leisure travel and some business trips are at their lowest frequency. At the same time, hotels and venues are keeping their properties open in these lower seasons to accommodate such events.

Consider M&E batching

Like trip batching, travel buyers active in the M&E space are increasingly grouping more meetings and get-togethers — whether this involves global c-suite gatherings on the periphery of a major event or singular client visits after a meeting. By grouping travel purposes and budgets, savings are made.

Optimize and automate more processes

The M&E space is evolving with artificial intelligence, specifically Generative AI, and other tech-focused solutions coming to the fore. This offers potential for greater automation, easier enrollment for events, and more self-service. In turn this creates new opportunities for greater productivity.

AGILITY is key for 2026

Going into 2026, suppliers and buyers are now beginning to transition from an exceptional recovery period to one that is more in line with traditional industry growth patterns. Global economic uncertainties could result in a softening price growth environment; this requires new strategies. At the same time, buyers are tightening travel policies faster than anticipated six months ago.

Shifting baseline syndrome

In recent times the industry has suffered from shifting baseline syndrome. Pricing growth has been normalized and is now stabilized, and corporations have adjusted their travel budgets to a higher cost base that edges ever upwards on a quarterly basis, sometimes above the cost of inflation. The challenge will be to adopt a new strategy if prices fall in specific markets, on certain routes and spend categories. Any fall could be erratic in nature.

Recessionary fears

The first signs of a potential slowdown are present, but patchy, in what has been unrelenting travel demand post Covid. A global recession would hamper corporate travel, forcing buyers to trade down. Equally it would give those buyers with strong budget new pricing power with suppliers. A downturn would also hurt legacy airlines, drive up business for budget carriers and reduce any price growth, since price-sensitive leisure customers would drop off substantially.

More negotiation power

It has been a seller's market for several years now. However, buyers are starting to see more negotiating power and more pricing leverage, albeit a small amount. Suppliers still have a higher cost base they need to manage. They have tools from yield management to constrained capacity to measure supply. The era of negotiated, very heavy discounts in exchange for notional volumes is not returning. However, there will be other opportunities to negotiate other benefits such as lounge access and priority boarding, as well as corporate bundles.

Sustainability still in the crosshairs

Many companies in Europe and beyond will need to report on emissions for the first time in 2025 under the EU's Corporate Sustainability Reporting Directive (CSRD). This includes carbon emission reductions into 2026, with over 50,000 companies subject to the CSRD. Targets and improving travel policies on sustainable travel will be part of the picture. Initiatives that are both sustainable and generate cost savings will be early winners — such as using high-speed rail instead of air. And, there is a growing question in the industry regarding who should bear the cost of investing in sustainability: the supplier, the sector as a whole, governments, or the buyer.

Strategies for a softening price growth environment

Dampening price growth will require a different mindset and razor-sharp, targeted strategies.

Regionally tailored

Global travel programs will need to be regionally tailored, category aware and nuanced. Buyers attempting a single, blanket approach will be disadvantaged. Building budgets and volumes, category by category, region by region will be important to unlock pricing advantages.

Demonstrate value

In this phase of the global economic cycle there are opportunities for buyers to really demonstrate how they can leverage their volumes with key suppliers to achieve discounts. They will be able to negotiate some deals or fare caps in exchange for volume commitments. Full compliance within an organization is key. Buyers must understand their data and the value of their program.

Build in flexibility

Clauses in contracts that allow flexibility will be crucial if prices soften. Benchmarking regularly (minimally quarterly) is vital, due to economic uncertainty and volatility. Monitor key indicators such as oil prices, capacity changes and consumer price indices. This allows buyers to stay informed and responsive.

Focus on new opportunities

Currency fluctuations could allow corporations using the euro or pound to take advantage of gains against the U.S. dollar and against currencies that are pegged to the greenback from the Middle East to Asia. Transatlantic flight prices may be hit with further U.S. tariff jitters. Spillover from NORAM ticket softness into the intra-European market could also impact pricing.

Optimize travel trips

Combining trip purposes smartly can create better value. Take account of virtual options where necessary, boost multi-purpose trips that combine client visits, internal meetings and training days, all in one journey, and avoid inefficient one-day trips, unless they are really essential.

Review negotiating tactics

Rather than relying solely on static, annual contracts, travel managers should consider introducing more frequent performance reviews or market benchmarking throughout the life of an agreement. Another approach is to negotiate longer-term contracts that include built-in flexibility clauses, allowing for adjustments based on market conditions or supplier performance. In an environment marked by uncertainty and volatility, travel programs need strategies that can both withstand market fluctuations and respond to opportunities as they arise.

Forecast details

Methodology

This annual report from CWT and GBTA draws on a comprehensive dataset of more than 70 million ticketed flights, 125 million hotel room night bookings, and 35 million car rentals. Projections for 2025 and 2026 are based on advanced econometric techniques, including ARIMA models developed by the Avrio Institute, and are enriched by expert insights from CWT and GBTA analysts. This detailed analysis captures emerging trends and provides forward-looking guidance for the travel industry.

The report was researched and written by Nick Easen.

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The historical figures in this report may not match those published in previous years' reports as they have been adjusted to reflect more current currency exchange rates. This allows for a more accurate and meaningful comparison in year-over-year price changes.

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